

Amul : The Taste of India

During the pre-independence period, India was a milk deficient nation. During that period Polson Dairy was a powerful private creamery in Anand, Gujarat. It had lucrative contracts including supplying butter to the British Army which gave it near-monopoly control over local milk procurement.

Problem with Polson's monopoly:

- 1) Polson dictated prices. Farmers had **no bargaining power**, so they were forced to sell milk at prices below production cost. Profit stayed with the company and not the farmers producing the milk.
- 2) Farmers often received money **weeks or months later**.
This trapped them in debt cycles and made them dependent on Polson's terms.
- 3) Farmers were discouraged and sometimes threatened against selling to anyone else.
This created a **practical monopoly**, locking farmers into the system.

In **1946**, small dairy farmers in Kheda district faced severe exploitation by private milk contractors. Under the leadership of Tribhuvandas Patel, they approached Sardar Vallabhbhai Patel, who advised them to form a cooperative and sell milk directly to the British Army, bypassing middlemen. Although the Army initially refused, the farmers united, went on strike, and bore temporary losses. Their collective effort eventually led to a direct procurement agreement, laying the foundation for what became the Gujarat Cooperative Milk Marketing Federation (GCMMF) later known worldwide as Amul. Importantly, this cooperative was built on principles of **equality and inclusion**, allowing every farmer regardless of religion, caste, or gender to participate and benefit.

In **1948**, AMUL (Anand Milk Union Limited) set up its first modern dairy plant in Anand and began using pasteurization at scale so farmer's milk could be made safe, stored, and sold reliably. They installed steam-heated pasteurizers and cooling systems.

In **1953**, almost all milk-powder plants in the world were designed for cow's milk. **Dr. Verghese Kurien and H. M. Dalaya** developed the world's first successful process to make milk powder from buffalo milk at Amul, a breakthrough that helped launch India's White Revolution.

In **1955**, Amul inaugurated its first milk-powder and baby-food plant in Anand. It was the first plant in the world designed to produce milk powder from buffalo milk based on the breakthrough work of H. M. Dalaya and Dr. Verghese Kurien.

In **1964**, Prime Minister Lal Bahadur Shastri visited Anand, Gujarat to inaugurate the Amul cattle feed factory. Shastri's visit was a turning point for India's dairy sector:

- It convinced the Indian government to use Amul's cooperative model as the foundation for national dairy development.

- This led to creation of the National Dairy Development Board (NDDB) replicating the idea nationwide.

In **1970**, Operation Flood was a nationwide dairy development program led by the NDDB under Dr. Verghese Kurien. It used the Amul cooperative model and spread it across India. Its aim was to increase milk production, provide fair prices to farmers, and ensure a steady supply of affordable milk to consumers. The program used the cooperative model, organizing farmers into village milk societies and linking them to modern processing plants and urban markets. Surplus milk was converted into powder and butter oil to prevent wastage. It was known as the “white revolution” of India.

In **1998**, India became the largest milk producing nation surpassing the United States. This milestone was widely credited to the success of Operation Flood.

In **1999**, Amul was awarded with the Rajiv Gandhi National Quality Award.

As of **2025**,

- GCMMF's dairy unions have a milk handling capacity of ~50 million litres per day.
- *Daily average milk collection* is about 35 million litres per day
- In FY 2023-24, GCMMF's turnover was around ₹59,545 crore (~US \$7.3 billion).
- FY 2024-25 estimates show Amul's *brand* revenue rising to approx ₹90,000 crore (~US \$10.8 billion) with plans to reach ₹1 lakh crore (~US \$12 billion)
- Amul exports dairy products to about 50 countries worldwide
- Ranked 3rd most valued brand in India in YouGov India value rankings.

Supply Chain of Amul

Amul works through a 3-tier hierarchical cooperative structure, designed so that farmers own and control the entire system.

Village Level : Village dairy Cooperative Society (VDCs)

Who is here: local farmers (milk producers) of the village.

What it does:

- collects milk from farmers **twice daily**
- measures **fat/SNF quality** using machines
- pays farmers **directly and transparently**
- provides inputs like: cattle feed, veterinary care, artificial insemination, training

District Level : District Cooperative Milk Producers Union (DCMPU)

Who is here: representatives elected from village societies in that district.

What it does:

- a) receives milk from all societies
- b) chills, pasteurizes, and processes it
- c) makes products like:
 - butter, cheese, paneer
 - milk powder, ghee
 - ice cream, flavored milk
- d) maintains quality labs
- e) decides procurement prices for farmers
- f) manages transportation & storage

State Level : State Cooperative Milk Federation (SCMF)

Who is here: chairpersons of all district unions.

What it does:

- a) markets all products under one brand: AMUL
- b) manages:
 - advertising & branding
 - national distribution
 - exports
 - pricing strategy
 - large-scale investments
- c) negotiates with governments & international agencies
- d) coordinates expansion across India

Marketing

1) Amul Girl (1966)

The iconic Amul Girl mascot, created in 1966 by Sylvester da Cunha, became the heart of Amul's advertising.

The campaign holds a Guinness World Record for being the longest-running outdoor advertising campaign.

2) Contemporary freshness through topical ads

Amul constantly stays relevant by turning current events into witty taglines, such as:

- *Bajrangi Bhaijaan* → “Butterangi Bhaijaan”
- *Batameez Dil* → “Buttermiz Dil”
- Narendra Modi’s slogan “*Acche Din Aayenge*” → Amul’s twist: “*Accha Din-ner Aagaya*”

These playful adaptations keep the brand humorous, relatable, and culturally connected.

3) Umbrella branding strategy

Amul follows an umbrella branding approach:

- a wide variety and style of product lines
- multiple product segments
- all marketed under one uniform brand : Amul

This means promotion of one product supports the sales of many, strengthening the entire brand family together.

4) Simple yet powerful slogans

Amul’s message is memorable because of clear, catchy lines like:

- “Utterly Butterly Delicious”
- “Amul Doodh Peeta Hai India”

Both reinforce trust, taste, and national identity.

Amul operations

1) Fresh Products (short-life, daily-use items)

- Milk (pouches & premium milk)
- Paneer
- Curd (dahi)
- Buttermilk
- Lassi
- Flavoured curd/yogurt

2) Dairy Products (value-added, longer shelf life)

- Butter
- Ghee
- Cheese (blocks, slices, spreads)
- Milk powder
- Condensed milk
- Dairy whitener

3) Beverages

- Flavoured milk
- Cold coffee
- Energy/protein milk drinks
- Milk-based shakes

4) Frozen Products

- Ice cream (cones, cups, family packs)
- Frozen desserts

5) Chocolates & Confectionery

- Milk chocolates
- Dark chocolates
- Chocolate spreads
- Cocoa powder

Amul has never been listed on the stock exchange, which means it remains a true cooperative owned by its farmers. Instead of outside shareholders earning profits, around 80–90% of the revenue flows back to the farmers themselves, strengthening their incomes and livelihoods. The film "**Manthan**" portrays the struggle, formation, and growth of the Amul cooperative movement, highlighting how farmers united to fight exploitation and build a self owned dairy system. Funded collectively by thousands of dairy farmers, the movie became a symbol of people's empowerment and it was selected as India's official entry to the Oscars.